



JOURNAL

**ANALYSIS OF THE EFFECTIVENESS OF RURAL AND URBAN
LAND AND BUILDING TAX REVENUES (PBB-P2) AT THE
REGIONAL TAX AND LEVY SERVICE UNIT (UPPRD) DUREN
SAWIT, EAST JAKARTA**

Dwi Hasna Khairunnisah¹, Hafifah Nasution², Ayatulloh Michael Musya³

^{1,2}Program Studi Akuntansi Sektor Publik, Universitas Negeri Jakarta

Email: runnisaaah@gmail.com, hafifah.nasution@unj.ac.id

Abstract:

This study aims to analyze the effectiveness of Rural and Urban Land and Building Tax (PBB-P2) revenue at the Duren Sawit Regional Levy Collection Implementation Unit (UPPRD), DKI Jakarta, during the 2018–2023 period. In addition, this study identifies supporting and inhibiting factors in the implementation of PBB-P2 collection, as well as analyzes tax revenue management strategies. This study uses a qualitative approach with a case study method, as well as utilizing interviews and documentation as data collection techniques.

The results show that the effectiveness of PBB-P2 revenue is fluctuating. In 2018 and 2019, the effectiveness was quite effective, increasing to effective in 2020, but decreasing to less effective in 2021–2023. Overall, the average effectiveness of this period is classified as less effective, which reflects the need for significant improvements in tax management. Supporting factors include the competence of Human Resources (HR) and the use of digital technology. On the other hand, inhibiting factors include human resources who are approaching retirement, low taxpayer awareness, and errors in determination documents. The strategy implemented includes socialization through various media and cooperation with urban villages and sub-districts to increase taxpayer awareness and compliance. The results of this study emphasize the importance of improving the management system, increasing taxpayer awareness, and optimizing technology to support an increase in PBB-P2 revenue in the future.

Keywords: Tax Revenue Effectiveness, Rural and Urban Land and Building Tax (PBB-P2), Supporting Factors for Tax Collection, Factors Hindering Tax Collection, Tax Revenue Strategy

BACKGROUND

The economic system is the main thing for a country in managing its resources. The welfare of the community depends on the success of the government in regulating the socio-economic life of the country. One form of achieving community welfare is the developments carried out by the government. And as an effort to increase the effectiveness and efficiency of development, the central government gives authority to local governments to help in organizing their own government. This is in line with Law Number 1 of 2022 concerning the scope of financial relations between the central government and local governments, which includes: (1) Providing



sources of regional revenue in the form of taxes and levies; (2) Management of Transfers to Regions (TKD); (3) Regional expenditure management; (4) Granting authority to carry out regional financing; and (5) Implementation of national fiscal policy synergy.

Based on Law Number 28 of 2007 concerning General Provisions and Taxation Procedures, it is explained that taxes are mandatory contributions to the state that are owed by individuals or entities that are coercive under the Law, by not getting direct rewards and being used for state purposes for the greatest possible prosperity of the people. In collecting regional taxes, local governments have agencies such as the Regional Tax and Levy Service Unit (UPPRD). Unit Regional Tax and Levy Services (UPPRD) has an important role in the management of regional taxes and levies in Indonesia, including in the DKI Jakarta area. Based on data from the Central Statistics Agency in 2023, DKI Jakarta has a population of 21.34 million people, with East Jakarta as the most populous area, reaching 3.31 million people, and has the largest area, which is 185.54 km². To support the management of taxes and levies that will be received from its supporters, East Jakarta has ten UPPRD spread across various sub-districts, namely UPPRD Jatinegara, Matraman, Duren Sawit, Pulogadung, Cakung, Kramat Jati, Makassar, Pasar Rebo, Ciracas, and Cipayung. Each UPPRD is tasked with serving one sub-district, which is an operational unit with direct responsibility for the implementation of tax and levy administration, in accordance with the needs of the community in their respective regions. This research will make UPPRD Duren Sawit as the object of research. Duren Sawit is one of the sub-districts that has high tax potential due to the various types of property and rapid regional development in this region (Sucitalia, Interview, 2024). Based on the results of the initial interview with the UPPRD management, PBB-P2 is the largest source of tax revenue obtained by UPPRD Duren Sawit, which is IDR 63,783,072,084 billion. Meanwhile, hotel tax is the lowest tax revenue at UPPRD Duren Sawit, which is only IDR 275,650,921 million. However, when compared to other UPPRDs, UPPRD Duren Sawit is the UPPRD with the lowest PBB-P2 revenue (Bapenda Jakarta).

THEORETICAL FRAMEWORK

Regional Taxes and Regional Levies

Law Number 1 of 2022 concerning financial relations between the central government and local governments defines regional taxes as mandatory contributions to regions owed by individuals or entities that are coercive based on the Law, by not getting direct rewards and being used for regional purposes for the greatest possible prosperity of the people. That regional taxes are mandatory contributions to the region that are owed by individuals or entities, by not getting direct rewards and used for regional purposes for the prosperity of the people. Bake (2022) explained that regional levies are levies imposed by local governments in exchange for certain services or permits and are one of the sources of local revenue, along with regional taxes, regional company revenues, and segregated financial management. That regional levies are levies on certain services or permits provided by local governments to individuals or entities, one of the main sources of local revenue is regional levies.



Rural and Urban Land and Building Tax (PBB-P2)

Law Number 1 of 2022 concerning financial relations between the central government and local governments explains that the Rural and Urban Land and Building Tax (PBB-P2) is a tax on land and/or buildings owned, controlled, and/or utilized by individuals or entities, except for areas used for plantation, forestry, and mining business activities.

Subjects and Objects of Rural and Urban Land and Building Tax (PBB-P2)

Law Number 1 of 2022 states that the Subject of PBB-P2 is a person or entity that actually has a right to the earth and/or obtains benefits to the earth, and/or owning, controlling, and/or obtaining benefits from buildings. And PBB-P2 objects are land and buildings owned, controlled, and/or utilized by individuals or entities, except for areas used for plantation, forestry, and mining business activities.

Effectiveness of Rural and Urban Land and Building Tax Revenues (PBB-P2)

Masruri (2014) states that effectiveness refers to how well the work is done to show the success of an effort in meeting the planned target. Subagyo (2016) defines effectiveness as a measurement of the achievement of goals or objectives that have been previously set by an organization, program, or activity. Effectiveness measurement is carried out to find out the extent to which the goal can be realized. Effectiveness can serve as a measure of how well a job is done in achieving the desired results in relation to the achievement of the goals that have been set by an organization, program, or activity.

Level of Effectiveness of PBB-P2 Revenues

According to Saputro (2014), the effectiveness of PBB-P2 revenue is a measure that shows the extent to which the PBB-P2 collection results are able to meet the revenue targets that have been set, as well as reflecting the success of PBB-P2 management. The effectiveness of PBB-P2 revenue is related to the revenue and realization targets that have been adjusted by local governments. The effectiveness of PBB-P2 is measured by comparing the realization of tax revenue with the potential or target of PBB-P2.

The effectiveness of PBB-P2 revenue can be measured by the formula (Mardiasmo, 2014):

Efektivitas Penerimaan PBB – P2

$$= \frac{\text{Realisasi Penerimaan PBB – P2}}{\text{Target Penerimaan PBB – P2}} \times 100\%$$

Based on this formula, there are several classification classifications to measure the effectiveness of PBB-P2 revenue, which are presented in the following table:



Classification of the Level of Effectiveness of PBB-P2 Receipts

No	Percentage	Criterion	Explanation
1	> 100 %	Highly Effective	This condition illustrates that the achievement of PBB-P2 revenue has exceeded the target.
2	90 - 100%	Effective	This condition illustrates that the achievement of PBB-P2 revenue is very good because it has approached the target achievement.
3	80 - 90 %	Quite Effective	This condition illustrates that the achievement of PBB-P2 revenue is quite good, although there are still aspects that need to be improved.
4	60 - 80 %	Less Effective	This condition illustrates that the achievement of PBB-P2 revenue is not optimal, because it has not adequately reached the target. And it is necessary to make significant improvements to achieve the target in this condition.
5	< 60 %	Ineffective	This condition illustrates that the achievement of PBB-P2 revenue is still very far from the set target. It is necessary to conduct an in-depth evaluation and change the strategy to improve the performance of PBB-P2 management during this condition.

Source: Processed by Researchers based on the Ministry of Home Affairs.Kepmendagri No.690.900.327 (2024)

Supporting and Hindering Factors for Rural and Urban Land and Building Tax Revenue (PBB-P2)

According to Zulkifli (2017) there are supporting and inhibiting factors regarding the implementation of the collection of Rural and Urban Land and Building Tax (PBB-P2):

1. Leadership



Leadership plays an important role in directing the team to achieve the target. Effective leadership encourages the success of the PBB-P2 election but if the leadership is weak it will be able to hinder the achievement of the PBB-P2 revenue target.

2. Human Resources (HR)

Well-trained and managed Human Resources can improve the efficiency of PBB-P2 collection, while incompetent human resources can reduce the effectiveness of PBB-P2 collection.

3. Taxpayer Awareness

High awareness of taxpayers to pay and report their outstanding taxes will support the process of implementing PBB-P2 collection. However, low awareness will be a major obstacle in implementing the PBB-P2 collection (Ministry of Finance, 2014)

Rural and Urban Land and Building Tax Revenue Management Strategy (PBB-P2)

Strategy is a goal that is used to achieve the end goal. Annisa (2017) stated that the PBB-P2 revenue management strategy can include:

1. Establishment of the PBB-P2 Management Supervisory Team

The establishment of the PBB-P2 supervisory team aims to monitor the management of PBB-P2 to be in accordance with the rules. Effective supervision will minimize potential errors or obstacles in achieving the PBB-P2 revenue target.

2. Socialization to the Public Regarding PBB-P2

Optimal socialization is essential to convey information effectively. Lack of socialization can hinder the management of PBB-P2 in increasing PBB-P2 revenue.

3. Provision of incentives to Village Collectors

Providing incentives to village collectors as an appreciation for the results of work in managing PBB-P2 can directly support the optimization of PBB-P2 revenue.

METHOD

This research is a qualitative case study research. Mardawani (2020) explained that qualitative research is a research approach that aims to gain an understanding of the situation in the field through an inductive thinking process and focus on events from the context. The method in this study uses the case study method, which is a method that uses data sources through individuals, groups, organizations or events to test a theoretical model by looking at its application in the field (Morissan, 2019). Sugiyono (2018) explained that data analysis techniques include reading data collected critically and analytically, such as interview transcripts, field notes, documents, and other materials, in order to be understood. In qualitative research, there are four data analysis processes, namely: data collection, data reduction, data presentation and conclusion making.

RESULT

In determining this target, it involves the number of taxpayers, the value of tax objects, and the potential income that can be obtained from taxes. To determine the extent to which the



implementation of PBB-P2 collection is successful, it is necessary to conduct an assessment of the effectiveness of tax revenue. The effectiveness assessment was carried out by comparing the results of the predetermined PBB-P2 revenue target with the realization of revenue.

TARGETS AND REALIZATION OF PBB-P2 REVENUES AT UPPRD DUREN SAWIT IN 2018-2023

Year	Target (Rp)	Target Difference (Rp)	Realization (Rp)	Realization Difference (Rp)	%	Difference in Effectiveness %
2018	86.017.000.000		75.816.255.723		88,14	
2019	84.495.382.000	(1.521.618.000)	74.957.355.356	(858.900.367)	88,71	0,57
2020	72.890.000.000	(11.605.382.000)	68.894.842.096	(6.062,513.260)	94,52	5,81
2021	128.894.000.000	56.004.000.000	70.896.190.899	2.001.348.803	55,00	(39,52)
2022	83.583.000.000	(45.311.000.000)	59.801.599.730	(11.094.591.169)	71,55	16,54
2023	80.710.370.000	(2.872.630.000)	63.783.072.084	3.981.472.354	79,03	7,48
AVERAGE					79,49	

Source: Processed by researchers based on UPPRD Duren Sawit data (2024)

In the table above, it can be concluded that the size of the target and the realization of PBB-P2 revenue at UPPRD Duren Sawit from 2018 to 2023 fluctuates every year. UPPRD Duren Sawit has also not been able to achieve the target that has been determined during the 2018-2023 period. The achievement of the realization of PBB-P2 revenue in meeting its target on average is only 79.49% during 2018-2023. The effectiveness of PBB-P2 revenue refers to the extent to which the tax revenue target can be achieved optimally during a certain period. To assess the level of effectiveness of PBB-P2 revenues, it is carried out by comparing the realization of PBB-P2 revenues with the targets that have been set.

The table below is the result of the calculation of the level of effectiveness of PBB-P2 revenue at UPPRD Duren Sawit for 2018-2023.

RESULTS OF THE CALCULATION OF THE EFFECTIVENESS OF PBB-P2 REVENUES AT UPPRD DUREN SAWIT IN 2018-2023

Year	Target (Rupiah)	Realization (Rupiah)	%	Category of PBB-P2 Revenue Effectiveness Level
2018	86.017.000.000	75.816.255.723	88,14	Quite Effective
2019	84.495.382.000	74.957.355.356	88,71	Quite Effective
2020	72.890.000.000	68.894.842.096	94,52	Effective



Year	Target (Rupiah)	Realization (Rupiah)	%	Category of PBB-P2 Revenue Effectiveness Level
2021	128.894.000.000	70.896.190.899	55,00	Ineffective
2022	83.583.000.000	59.801.599.730	71,55	Less Effective
2023	80.710.370.000	63.783.072.084	79,03	Less Effective
AVERAGE			79,49	Less Effective

Source: Processed by Researcher (2024)

DISCUSSION

From the results of the analysis of the effectiveness of PBB-P2 revenue presented in Table 4.6, it can be concluded that on average, UPPRD Duren Sawit is only able to produce a percentage of 79.49%, with the category of **Less Effective effectiveness** during the research period (2018-2023). This condition illustrates that **the achievement of PBB-P2 revenue at UPPRD Duren Sawit during 2018-2023 is still less than optimal. And UPPRD needs to make significant improvements to achieve the revenue target.**

The factors that support the implementation of PBB-P2 collection at UPPRD Duren Sawit: 1) Human Resources Tax officers at UPPRD Duren Sawit have been equipped with adequate training to handle tax administration, answer public questions, and provide good service. This competency is very helpful in facing various challenges in the field, such as providing solutions to taxpayer problems, ensuring that administration runs smoothly, and maintaining good relationships with the community. With professional human resources, the tax collection process becomes more effective and transparent. 2) Use of Duren Sawit UPPRD Technology has implemented a digital-based system that includes registration, payment, and tax reporting. This system not only makes it easier for taxpayers to fulfill their obligations but also helps tax officers in managing data more accurately. For example, people can now make payments online without having to come directly to the UPPRD office, thus saving time and effort.

The factors that hinder the implementation of PBB-P2 collection at UPPRD Duren Sawit are: 1) Human Resources Some officers, such as those whose age is nearing the end of their tenure, lack adequate skills in handling technical problems or providing quality services to taxpayers. Lack of understanding in training on the use of technology and updating tax data also affects work efficiency. As a result, the administrative process becomes slow, and the level of taxpayer satisfaction with the services provided is low. 2) Taxpayer Awareness The low awareness of taxpayers is one of the inhibiting factors in the implementation of PBB-P2 collection in Duren Sawit. Taxpayers do not understand the importance of their contribution to regional development, so the level of compliance in paying taxes is low. This is exacerbated by the apathy of some people who do not consider taxes as a priority.



The strategies for managing PBB-P2 revenues that have been pursued by UPPRD Duren Sawit are: 1) Organizing Socialization Activities to the Community Regarding PBB-P2 The socialization strategy carried out by UPPRD Duren Sawit involves various approaches, such as distributing appeal letters, installing banners in strategic locations, and organizing socialization events in urban villages. This activity aims to increase public awareness of the importance of paying taxes as a contribution to regional development. In addition, UPPRD also utilizes digital technology by holding online socialization to reach more taxpayers. 2) Conducting Incentive Cooperation to Village Collectors Intensive cooperation with sub-districts and sub-districts has proven to be the most effective strategy in increasing PBB-P2 revenues in Duren Sawit. With direct access to the community, urban villages and sub-districts can submit appeal letters quickly and on target. This collaboration strengthens public trust, ensures that government messages are more effectively received, and supports the optimization of PBB-P2 revenues.

CONCLUSION

The effectiveness of PBB-P2 revenue at UPPRD Duren Sawit during the 2018–2023 period shows fluctuating results. In 2018 and 2019, UPPRD Duren Sawit achieved the category of quite effective effectiveness. And in 2020, the effectiveness of PBB-P2 receipts managed to reach the effective category. However, from 2021 to 2023, the level of effectiveness has decreased to become less effective. So that the average level of effectiveness during the 2018–2023 period is only in the less effective category, which indicates that revenue is still less than optimal, because it has not adequately reached the target. So it is necessary to make significant improvements in the management of PBB-P2 to achieve the target.

Supporting factors in implementing PBB-P2 collection at UPPRD Duren include competent Human Resources (HR) with adequate training, as well as the use of digital technology that simplifies administration and services. Meanwhile, the inhibiting factors for the implementation of PBB-P2 collection are the presence of human resources who are close to retirement so that they are inadequate in handling technical problems and the use of technology, as well as low taxpayer awareness and errors in determination documents.

The strategy applied in managing PBB-P2 receipts is through socialization involving various approaches, such as through appeals and banners. In addition, intensive cooperation with urban villages and sub-districts has also been carried out and has proven effective in accelerating the delivery of government messages related to tax information, and has increased taxpayer awareness and compliance.

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